

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of:	)	Sagebrush Cellular, Inc.
	)	P.O. Box 600
E911 Phase II Implementation Report	)	Scobey MT 59263-0600
	)	TRS Number: 805272
)	
CC Docket No. 94-102	)	Nemont Communications, Inc.
	)	P.O. Box 600
	)	Scobey MT 59263-0600
	)	TRS Number: 801563
)	
	)	Triangle Communication System, Inc.
	)	2121 Highway 2 NW
	)	P.O. Box 1230
	)	Havre, MT 59501-1230
	)	TRS Number: 818268

To: Wireless Telecommunications Bureau

**SECOND SUPPLEMENT TO E911 PHASE II INTERIM REPORT
AND REQUEST FOR WAIVER OF THE COMPLIANCE DEADLINES
AND REQUEST FOR CLARIFICATIONS**

Sagebrush Cellular, Inc., Nemont Communications, Inc., and Triangle Communication System, Inc. ("Carriers"),¹ by their attorney, hereby submit a second supplement to their E911 Phase II Interim Report required by the Commission's *Order to Stay*, 17 FCC Rcd. 14841 (FCC 2002) and

¹ The Carriers utilize Sagebrush Cellular, Inc.'s switch and concur in the report and supplements. Sagebrush Cellular, Inc. and Nemont Communications, Inc. are affiliated companies; Sagebrush Cellular, Inc. holds cellular licenses and is currently providing analog and digital subscriber services. Nemont Communications, Inc. holds PCS licenses but is not yet providing commercial service; service is expected to commence sometime this year. Sagebrush Cellular, Inc. provides management, billing, and other services to Triangle Communication System, Inc. Triangle Communication System, Inc. holds both cellular and PCS licenses and provides analog and digital cellular services using the cellular licenses and expects to commence PCS service this year. The Carriers do not, at this time, seek a waiver for their PCS services.

the Commission's *Order to Stay*, 18 FCC Rcd. 20987 (FCC 2003).² The following information is submitted in response to an informal staff inquiry seeking updated information concerning the Carriers' waiver request. In response to that inquiry, the following information is respectfully submitted:

As previously reported the Carriers have been unable to obtain quality handsets which are location capable to satisfy existing subscribers' demand for extended range in the rural areas served by the Carriers. The Carriers' shared experience is that the location capable handsets which are on the market do not have the range of non-location capable handsets. Consequently, subscribers either return location capable phones and demand ones that work for making telephone calls even if the location capability is lacking or subscribers keep existing handsets without being willing to try a location capable handset given the reduced range of those handsets. This experience remains unchanged and it is the Carriers' understanding that handset manufacturers are not improving the coverage reliability of location capable handsets to account for service in large, sparsely populated rural areas.

The Carriers operate in large, sparsely populated areas of rural Montana. Sagebrush Cellular, Inc. is authorized to provide cellular service in the following Montana Counties:

	2000 Census Population	Area in Sq. Miles	Population per square mile
Daniels	2,017	1,427	1.4
Roosevelt	10,620	2,370	4.5
Sheridan	4,105	1,706	2.4
Valley	<u>7,675</u>	<u>5,062</u>	<u>1.6</u>
Totals	24,417	10,565	2.475

² See *E911 Phase II Implementation Report*, filed November 8, 2000; *Request for Waiver of Handset Phase-In Deadlines*, filed September 28, 2001; *E911 Phase II Interim Report and Request for Waiver of the Compliance Deadlines*, filed August 1, 2003; *Supplement to E911 Phase II Interim Report and Request for Waiver of the Compliance Deadlines*, filed November 7, 2003.

Triangle Communication System, Inc. is authorized to provide cellular service in the following Montana Counties:

	2000 Census Population	Area in Sq. Miles	Population per square mile
Blaine	7,009	4,239	1.7
Liberty	2,158	1,447	1.5
Phillips	<u>4,601</u>	<u>5,212</u>	<u>0.9</u>
Totals	13,768	10,898	1.36

The Counties served by the Carriers comprise a total of 21,463 sq. miles, have a combined 2000 Census population of 38,185 people, resulting in a combined population density of 1.9 people per square mile.³

Because the population in these large areas is very sparse the Carriers have constructed cellular systems with cell sites which are designed to cover the largest area possible. Unlike cellular systems in densely populated areas, frequency reuse and system congestion are not concerns which drive cell site construction. The Carriers have constructed a total of 29 sites to serve the counties discussed above. By way of contrast it is the Carriers' belief that the A Block cellular licensee in these counties has constructed 5 cell sites. There is no PCS service available in these areas. To the extent that location capable digital phones are unuseable in portions of the Carriers' service area, owing to their poorer coverage performance compared to non-location capable handsets, the imposition of location capable handsets seems inimical to the public interest because the location compliant phones do not work at all in portions of the Carriers' service areas.

³ The Commission considers a population density of 100 persons or fewer per square mile to be "rural areas" for purposes of wireless spectrum policies. *See Facilitating the Provision of Spectrum-Based Service to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services; Biennial Regulatory Review Spectrum Aggregation Limits For Commercial Mobile Radio Services; Increasing Flexibility To Promote Access to and the Efficient and Intensive Use of Spectrum and the Widespread Deployment of Wireless Services, and To Facilitate Capital Formation; Report and Order and Further Notice of Proposed Rulemaking, (Rural Spectrum Order), 19 FCC Rcd. 19078 ¶ 2 (FCC 2004).*

Large numbers of the Carriers' subscriber bases have not yet wanted to trade the larger service area currently provided for a smaller service area which has location capability. Here is a table showing the percentage breakdown of the Carriers' subscribers by handset unit type, current as of January 26, 2005:

	Analog	Digital Non-GPS	GPS Capable
Sagebrush Cellular, Inc.	30%	18%	52%
Triangle Communication System, Inc.	36%	23%	41%

Since early November 2004 the Carriers' new activations are 100% GPS capable handsets. However, the Carriers' estimate that the change over rate for existing subscribers to change from non-location capable handsets to location capable handsets is on the order of 1.0% to 1.5% per month. Accordingly, the area of concern is 47 C.F.R. § 20.18(g)(1)(v) which provides that the Carriers must "by December 31, 2005, achieve 95 percent penetration of location-capable handsets among its subscribers." The Carriers seek permanent waiver of that requirement. The Carriers request clarification as to whether the requirement that 95% of the subscriber base must have location capable handsets is limited to subscribers using digital handsets or whether analog handsets are included in the subscriber count. However, even if analog sets were excluded, Sagebrush Cellular, Inc.'s current Digital Non-GPS subscriber base is 25.7% of all digital subscribers and Triangle Communication System, Inc.'s Digital Non-GPS subscriber base is 35.9% of all digital subscribers.

The Carriers do not feel it is likely that they will meet the 95% subscriber penetration requirement even if analog sets were excluded from the computation.⁴

⁴ Regardless of whether analog subscribers are included in the 95% location capable handset subscriber penetration calculation, the Carriers do not believe it is Commission policy that existing service to non-location capable handsets must be terminated in order to meet the 95% requirement, i.e., that carriers do not have to cull the subscriber base of non-compliant handset users to increase the overall percentage of location capable handsets. The Carriers request clarification as to whether service terminations would otherwise have to be made, in the absence of a waiver, to meet the 95% (continued...)

The Carriers implemented revenue losing programs to move customers to location capable phones. However, the programs have met with limited success. For instance, in December 2003 the Carriers implemented a pricing plan which would excuse existing subscribers from their service contracts for non-location capable phones in exchange for contracts on location capable phones which provided more services and minutes of use for the same monthly rate. Even after prodding subscribers with contract releases and better rate plans, many subscribers remain unwilling to switch from non-location capable phones to location capable phones because of service area issues.⁵

None of the Carriers has received a Phase I or a Phase II location service request from a PSAP. Sagebrush Cellular, Inc. hosts periodic meetings, generally every month or so, with county PSAP officials. The last such meeting was held on January 4, 2005. In attendance at the January 4, 2005, meeting were Montana State PSAP officials. Montana is attempting to establish a state-wide PSAP program and is currently meeting with County PSAP officials on a county-by-county basis to organize the State-wide system. The State is attempting to address financial issues associated with implementing a state-wide Phase II location program in an effort to get the location identification services up and running. Triangle Communication System, Inc. last discussed E-911 with pertinent county personnel in December 2004.

Finally, in anticipation of eventually receiving a PSAP request for E911 Phase I and Phase II location service, the Carriers request clarification regarding the format of the location information which is to be transmitted to a PSAP. The Carriers' review of the Commission's orders did not

⁴(...continued)
penetration requirement.

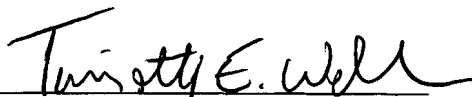
⁵ As discussed above, the area is large, rural, and sparsely populated. There is much wide-ranging farmland and ranch land in the Carriers' service areas and many of those reluctant to switch handsets are farmers and ranchers who take their phones off road to remote work areas. Farmers and ranchers routinely take their cell phones with them into the field where they are far removed from other people in the event an emergency arises.

reveal that there is a requirement to deliver the location information to a PSAP in any particular format. The Carriers' communications networks are currently capable of delivering caller ID and GPS location information to a requesting PSAP which information would be transmitted in the Carriers' Nortel switching equipment format. The Carriers request clarification that delivery of that information complies with the requirement to deliver location/caller ID information to the PSAP as required by the Commission's rules.

WHEREFORE, because location capable handsets lack the range of non-location capable handsets, and because the Carriers operate in large, sparsely populated areas, and because Carriers have not received any requests for E911 service, it is respectfully submitted that grant of the waiver request would serve the public interest.

Contact person responsible for this supplemental report:

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February 7, 2005


Timothy E. Welch

cc: Greg Guice, Acting Associate Division Chief, Public Safety and Critical Infrastructure Division,
Wireless Telecommunications Bureau

CERTIFICATION

I hereby certify under penalty of perjury that I am an authorized employee of Sagebrush Cellular, Inc. and that I have reviewed the forgoing SECOND SUPPLEMENT TO E911 PHASE II INTERIM REPORT AND REQUEST FOR WAIVER OF THE COMPLIANCE DEADLINES AND REQUEST FOR COMPLIANCE AND REQUEST FOR CLARIFICATIONS and that the statements made therein are true and accurate to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read 'Gary Dascher', is written over a horizontal line.

Gary Dascher, System Manager
Sagebrush Cellular, Inc.

January 31, 2005